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C O N F I D E N T I A L SECTION 01 OF 02 KINSHASA 001614

SIPDIS

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TAGS: [ECON](#) [EMIN](#) [ETRD](#) [PREL](#) [CG](#) [CH](#)

SUBJECT: CHINA'S INFLUENCE IN AFRICA: EXPANDING IN THE DRC

REF: A. STATE 138041

[1](#)B. STATE 153199

Classified By: PolCouns MSanderson, reasons 1.4 b/d.

[1](#)1. (C) As is the case in many African nations, China is working hard to expand its ties with the DRC. Chinese interest in the DRC comes at a moment when the GDRC is itself searching for significant investment to assist with social and economic development, as well as equipment (such as boots and uniforms) for the Congolese military.

[1](#)2. (C) Congolese-Chinese ties are being encouraged by the Israeli business community in the DRC, particularly the Gertler and Weisenblom families who have themselves significant investments in various sectors of the Congolese economy, particularly the diamond industry. For instance, in September 2005 GDRC officials (accompanied by Dan Gertler, an Israeli diamond dealer) made their third official visit to China in less than a year. (President Kabila headed a trade delegation which visited China early this year, and subsequently senior members of the Congolese government visited China again. In addition, senior Presidential advisors have made at least two "unofficial" visits in recent months.)

[1](#)3. (C) During the September 2005 visit, the GDRC began negotiations on a Chinese bid for a cobalt concession and refinery. The bulk of current Chinese investment is in the mining sector, concentrated in Katanga province, which is rich in copper, cobalt, heterogenite, gold, uranium and other minerals. Some Congolese officials have indicated that, in exchange for mining concessions, China is willing to provide 20,000 uniforms, boots, tents and other equipment to the Congolese military.

[1](#)4. (C) China reportedly is also considering building several new hospitals throughout the DRC, in addition to the 150-bed facility currently nearing readiness in Kinshasa. This teaching hospital will have 16 resident Chinese physicians training Congolese health professionals and providing specialized health care.

[1](#)5. (C) According to the Chinese Embassy's economic and commercial counselor, Congolese exports to China total about \$100 million, and primarily consist of natural resources including copper, cobalt, and timber. Again according to the Chinese, the DRC imports about \$40 million worth of products from China -- primarily cheap manufactured goods, household appliances, shoes, medicine, and a significant quantity of textiles. In fact, inexpensive Chinese textile imports have almost wiped out the Congo's once viable domestic textile industry. (Comment: We are not confident that the figures cited by the Chinese are accurate. End comment.)

[1](#)6. (C) Both the GDRC and the Congolese business community are interested in expanding ties with China to maximize trade opportunities and capitalize on no-strings economic assistance loans. Members of the business community in eastern Congo, for instance, say that they have increased trade with China and other Asian countries because of lower costs and ease of accessibility to markets. Unit prices and export duties are lower on Asian goods than on goods produced in Europe and other developed countries. Furthermore, transportation expenses on Asian goods are no higher than on those which arrive in eastern Congo from Europe or the U.S. via Kinshasa, because these goods must be flown in from Kinshasa, whereas Asian goods can be brought via rail from the East African coast.

[1](#)7. (C) China is also involved in several infrastructure projects in the DRC. The World Bank is funding two Chinese road construction projects, one in Bas Congo province (western DRC), and another in North Kivu (eastern DRC). In addition, a Chinese engineering brigade is attached to the United Nations Mission to the Congo (MONUC) group in Bukavu, South Kivu (eastern Congo), and supposedly is responsible for maintaining the road linking the city to the distant airport. (Comment: This road, perennially in varying stages of disrepair, does not seem to actually attract much attention from the Chinese engineering brigade. End Comment.)

[1](#)8. (C) A company known as China-Hydro International reportedly is planning to invest \$60 million to construct a new electricity line from the Inga Dam in western Congo to Katanga. The Chinese Embassy's Commercial Section in

Kinshasa says there are about 100 private Chinese businesses and approximately 800-1000 Chinese citizens in the DRC.
(Comment: We believe this number to be potentially much higher, particularly in Katanga province. End Comment.)

9. (C) Besides its economic interests, China has political and military interests in the DRC. China is a member of the CIAT, the International Committee to Accompany the Transition, an Ambassadorial-level body which meets regularly to monitor the progress of the Congo's transitional government and help guide it forward on the basis of a common policy approach. The newly-arrived Chinese Ambassador speaks very little French, however, and must either be accompanied by an interpreter, or more often be represented by a subordinate, limiting his contacts and effectiveness.

10. (C) On the military side in addition to the engineering brigade, China also contributes a Level II military field hospital (also in Bukavu) to MONUC. This month, 33 Congolese soldiers went to China for technical instruction in a training program lasting six months. In October, an additional 60 Congolese officers are scheduled to go for training at various Chinese military academies (again, for six months). This training is a natural extension of a long-standing military cooperation relationship, as President Joseph Kabila himself received some military training in China.

MEECE